But as we make progress, we take the next step.

About the sub-Himalayan region it is said that in the foothills of the Himalayas there is a big reservoir of oil. We are exploring the possibility at two or three places. Further exploitation will depend on the results of that.

SHRI NAGEN SAIKIA: My question is related to the foreign collaboration. I would like to know from the hon. Minister whether it is a fact that a drilling ship for drilling at the sea-shore was hired from a foreign country a few years back at a very high rate, but it is still being kept unutilised. If so, what amount has been paid for this?

SHRI BRAHM DUTT: If the hon. Member gives me information about the particular ship, I will give him full detail.

SHRI CHITTA BASU: In the course of the reply, the Minister has made a statement saying that the services of M/s. Gilley & Associates have been hired for providing consultancy services in the area of drilling. The contract is valued etc. etc. May I know what have been the actual terms and conditions for this contract being given to the particular company Secondly, the Government claims that they are self-sufficient in oil technology. Now, they have also appointed a consultancy firm for further consultation. I would like to know what was the necessity of hiring the consultancy of a foreign company and what have been the terms and conditions of the consultancy and the fees to be paid for that consultancy for that particular firm.

SHRI BRAHM DUTT: We have never claimed that we have got all the technology that is available. In fact, no country in the world can claim it because techology is being updated everyday. About the terms and contracts, first to M/s. Gilley & Associates, I have already said that $33,22,720 were to be paid and the services of this consultant were under the World Bank loan. They were to dig certain wells. Eleven wells they have completed. A large number of engineers have been attached with them for an on-the-job training so that technology is absorbed by our own engineers. The personnel from the Institute of Drilling Technology, i.e. our institute, are also associated for the same purpose to acquire technology. Our attempt is...

SHRI CHITTA BASU: What is the share of production?

SHRI BRHAM DUTT: They have nothing to do with share of production. This is not for share of production. These two contracts are not for share of production. Another contract with M/s. Horwell of France is for latest technology. Upto this time we were going vertically down the oil well. Now we have come across certain layers where we cannot go vertically down, but drilling has to be done horizontally. This company has that technology and they have dug two wells horizontally and are trying on another two. This will be a major development in the Bombay High.

Tariff mechanism to replace drug equalisation account

*65. SHRI RAJNI RANJAN SAHU: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Government have proposed a tar mechanism to replace the drug equalisation account, to safeguard the interests of indigenous producers;

(b) if so, by whom the list of drugs to be covered under this scheme is to be finalised and what guidelines, if any, have been laid down for identification of the drugs; and

(c) by when the list of likely to be finalised and on what basis the duty on various drugs is to be determined?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS IN THE MINISTRY OF INDUSTRY (SHRI R. K. JAICHANDRA SINGH): (a) Yes, Sir.

(b) and (c) The list of Drugs to be covered under this scheme will be drawn up in consultation with the Department of Revenue after finalisotion of the list of price controlled drugs. The rates of duty on individual drugs would depend on various factors like total indigenous production, total demand, indigenous price fixed for the drug if any and the price prevailing in the international market from time to time.

SHRI RAJNI RANJAN SAHU: Mr. Chairman, Sir, Government have created Drug Equalisation Fund Account under Drug Price Control Order in order to do justice to the consumers. May I know from the hon. Minister: (a) Whether the equalisation fund has been abolished due to administrative difficulties; (b) What will be the effect of discontinuation of equalisation fund account on the amount already lying with the companies who deposited while this was enforced and (c) Whether the Minister will assure this House to review the decision in the light of the recent judgement of the Supreme Court which has obsedved this abolition as diabolical.

SHRI R. K. JAICHANDRA SINGH: As regards part (a) of his question, it is true that DPEA has been abolished as per the new measures. The hon. Member knows very well that I had had a series of discussions with him and olso answered about this on the floor of the House as well in the consultative committee meeting. Because of cedtain difficulties DPEA has been abolished and to replace that we have come out with the tariff mechanism. This will take care of the consumer protection.

Regarding a review of the case in the light of the Supreme Court judgment, as you are aware, a decision on these new measures was taken sometime in December. The Supreme Court judgment has come out very recently and we have not even come out with the DPCO because essential drug list has not yet been finalised. Let the policy and let the new measures which have been announced run for sometime and find its own feet. If necessary we can look into this matter.

MR. CHAIRMAN: Second supplementary.

SHRI RAJNI RANJAN SAHU: Under para 5.4 of measures announced by the Minister it has been proposed to replace drug equalisation account by tariff mechanism. In view of this may I know from the Minister: Why consumer interest has been ignored which was covered by DPO or DPA? How tariff mechanism can replace drug equalisation account which safeguard the poor people from the exploitation of the drug companies?

SHRI R. K. JAICHANDRA SINGH: I have answered his second supplementary in my first question itself. As I said earlier, the interest of the consumers would be looked into. The main principle behind the tariff mechanism is, we would like the industries to go into from basic stage. These were certain anomalies in tre production duties structures. The new mechanism would ensure that there would be more duties levied on the finished items rather on the intermediates so that we would force the industries to go into more basic. That is the reason why the new tariff mechanism has been brought out.

SHRI THANGABAALU: Mr. Chairman, Sir, may I know whether it is a fact that the drug equalisation fund account has been abolished under the pressure from drug industries as they have to refund excess charging from the poor people under this account? If so, what is the justification to discontinue this account when

this helps in achieving the national objectives of self-reliance and availability of medicines at reasonable prices?

SHRI R. K. JAICHANDRA SINGH: Sir, the DPEA was essentially set up to encourage domestic production of bulk drugs and towards a system of price retention. But in actual practict we had certain difficulties in operating DPEA and I have answered this on a number of occasions. There were many intractable administrative difficulties. There were delays on the part of the Government to revise prices and industries took up this matter. This matter has been agitating between the Government and the industry for a number of years. The industry felt that the unintended benefit which was supposed to have been earned has been off-set because of the delay caused by the Government in fixing a particular price of drug. As I said earlier, there are hundreds, hundreds and thousands of formulations for which the Government has to have a price control. That is why we have come out in the new measures to reduce the price control so that we could have more effective price control. As far as the accounts which have accrued under the DPEA prior to the announcement of the new measures, it is stated in these new measures that it will be taken care of and the money which has accrued will be realised from the companies.

Clearing of backlog in Trade Mark Registry

*66. SHRI B. SATYANARAYAN REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Trade Mark Registry is overloaded and the trade mark registration takes anywhere from six months to five years; and

(b) if so, what action is proposed to be taken by Government to clear the backlog?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) The number of applications for registration of trade marks has increased substantially in recent years resulting in a heavy backlog of applications awaiting examination.

(b) The Government is making efforts to clear this backlog. To assess the increased workload an Internal Work study has been commissioned. Long term measures are also underway for computerising the record of the existing Trade Mark Registry to facilitate examination of the applications.

SHRI B. SATYANARAYAN REDDY: Mr. Chairman, Sir, the Trade Mark Registry is overloaded and the trade mark registration takes from six months to five years. I would like to know from the Minister as to what are those short term and long terms measures which the Government is proposing to take to meet the situation.

SHRI M. ARUNACHALAM: Sir, the Government is taking all steps to speed up the disposal of applications. Work study has been undertaken to strengthen the staff position. The staff position is still remaining as it was established. We are taking steps to strengthen the staff position.

Secondly, additional quota of work to examiners by payment of honorarium has been given. That is also being done. Thirdly, computerisation of registry and use of renewal of notice in computerised format has been introduced. Procedure has been simplified in the early stages of numbering of applications and indexing also. Rules are amended for payment of one time fee at the application stage itself instead of three stages namely application, advertisement and registration.

As far as the pendency of applications is concerned, after one year,